



## 2009 full-year earnings: significant investments for strong and profitable growth in 2010

At the Board meeting held on April 29th, 2010, Europlasma's directors approved the financial statements for 2009.

**Europlasma, the French Group specialized in clean technologies and renewable energy production, is releasing its full-year earnings for 2009.**

- 2009 consolidated revenues: €31.4 million
- 2009 consolidated EBIT: -€4.0 million
  - Inertam: profitable first year
  - Europe Environnement: priority focus on investments
- 2009 consolidated net income: -€3.6 million

### 2009 consolidated earnings

At the end of 2009, the breakdown of business for the Group's companies was as follows:

- **Air depollution activities** (*Europe Environnement* subsidiary, 66% of the Group's revenues in 2009) have been affected by the global economic slowdown, including a strong impact on business with industrial clients in the US. Revenues came to €20.8 million for 2009, down 8% on 2008. The contraction in revenues is far less marked than the downturn in the industrial air depollution market (down 30% in 2009). The excellent commercial results achieved by Europe Environnement confirm the relevance of Europe Environnement's teams and their ability to adapt in order to safeguard its products and tailor its solutions to customers on public markets, which represented the main source of revenues in 2009.

In terms of investment, the new industrial site inaugurated in May 2009, a 12,000 sq.m ultramodern platform, located in Alsace, has driven Europe Environnement's development with a production tool based on leading-edge technology and optimized support structures. The efforts made, combined with the commitment to developing the Group internationally, are expected to pave the way for significant revenue growth and a return to profitability.

- **The asbestos and hazardous waste destruction activities** (*Inertam* subsidiary, 31% of revenues) made it possible to process 5,210 tons of waste through glassification (compared with 6,100 tons in 2008), with €9.7 million in revenues, down slightly (-7%) as compared to 2008. Despite this fall, the full impact of the actions launched in 2009 to optimize and expand margins made it possible to achieve a positive EBIT of €0.6 million (compared with a €0.3 million loss in 2008). The Morcenx processing and reclamation center has benefited from the continuation of existing contracts, while further developing its customer portfolio.

In 2009, Inertam also rolled out a program to develop its commercial strategy for holders of waste contaminated with asbestos. The approach adopted aims to highlight the legal and environmental benefits linked to choosing Inertam's technological solution over other alternatives, which remain problematic in terms of public health and legal liability. This far-reaching work will make it possible to support prospecting actions among industrial operatives, real estate players and the French State in 2010.

- **The historical business for marketing and operating the proprietary plasma torch technology** accounted for 3% of the Group's revenues, representing €1.0 million in full-year revenues, down 56%. The company recorded an operating loss of -€3.9 million (compared with -€2.4 million in 2008). This reflects the significant investments made in connection with developing the technology and launching the Group's new business: energy from waste (EfW) and biomass production (*CHO-Power*). The benefits of these investments will be seen as of mid-2010, when the CHO Morcenx project starts up.

The strategy to position the proprietary technology on the two significant segments identified as areas of profitable growth has been a resounding success:

- > In the **nuclear** segment: four-year, €6.5 million contract signed in April 2009 in order to reduce and immobilize low-level radioactive waste at a nuclear site in Bulgaria.
- > In the **energy production** segment: financing put in place for 54 MWe over three years, with the option to extend the financing to 200 MWe over five years, based on a €50 million investment by the financial partner, with building work to start on the first 12 MWe unit (Morcenx CHO) in June 2010.

At the end of 2009, EBIT showed a loss of €4.0 million, reflecting the downturn in revenues and the impact of the investment strategy applied in 2009. Indeed, the accounting losses recorded are primarily linked to the development of the gasification process technology and the development of several plant projects, including the Morcenx project. Net income (Group share) came to -€3.6 million, compared with -€1.0 million in 2008.

	Dec 31, 2008		Dec 31, 2009*		Change €'000,000/€
	€'000,000	% of revenues	€'000,000	% of revenues	
<b>NET REVENUES</b>	<b>35.298</b>		<b>31.404</b>		-3.894
Other operating income	2.329	7%	2.658	8%	0.329
Purchases consumed	-24.099	-68%	-23.171	-74%	0.928
Salaries and fringe benefits	-10.499	-30%	-11.430	-36%	-0.931
Other operating expenses	-0.701	-2%	-0.109	-0%	0.592
Tax	-0.731	-2%	-0.858	-3%	-0.144
Net change in depreciation and amortization	-2.022	-6%	-2.484	-8%	-0.462
<b>EBIT</b>	<b>-0.426</b>	<b>-1%</b>	<b>-3.989</b>	<b>-13%</b>	<b>-3.563</b>
Financial income and expenses	-0.463		-0.357		0.106
Non-recurring income and expenses	0.302		-0.074		-0.376
Corporate income tax	0.445		0.969		2.057
<b>NET INCOME FROM CONSOLIDATED COMPANIES</b>	<b>-0.107</b>	<b>0%</b>	<b>-3.451</b>	<b>-6%</b>	<b>-1.811</b>
Share in earnings from equity affiliates	-		-0.018		
Goodwill amortization	0.790		0.874		0.084
Minority interests	0.150		0.702		0.552
<b>NET INCOME (GROUP SHARE)</b>	<b>-1.046</b>	<b>-3%</b>	<b>-3.641</b>	<b>-7%</b>	<b>-1.062</b>

*\*Approved by the Board of Directors on April 29th, 2010 (audit underway)*

With regard to the main items on the balance sheet at December 31st, 2009, the changes specifically concern the financing of activities carried out in 2009, and in particular the resources assigned for the development of clean energy production activities and the building of the new industrial tool Europe Environnement. These sectors are highly strategic for the Group's development over the medium and long term.

<i>Balance sheet - Assets (€'000,000)</i>	<i>Dec 31, 2008</i>	<i>Dec 31, 2009*</i>
Goodwill	13.022	12.403
Intangible fixed assets	1.652	2.376
Tangible fixed assets	8.228	19.887
Long-term financial investments	0.378	0.490
<b>Fixed assets</b>	<b>23.280</b>	<b>35.157</b>
Inventories and work-in-progress	2.692	1.505
Receivables	15.179	14.568
Cash, cash equivalents and other	20.353	13.923
<b>Current assets</b>	<b>38.224</b>	<b>29.995</b>
<b>TOTAL ASSETS</b>	<b>61.504</b>	<b>65.152</b>
<i>Balance sheet - Liabilities (€'000,000)</i>	<i>Dec 31, 2008</i>	<i>Dec 31, 2009*</i>
<b>Shareholders' equity</b>	<b>35.016</b>	<b>31.331</b>
Non-Group interests	4.942	4.316
Provisions for liabilities and charges	1.205	0.983
Financial liabilities	7.066	15.135
Sundry liabilities	13.275	13.387
<b>TOTAL LIABILITIES</b>	<b>61.504</b>	<b>65.152</b>

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## Outlook for 2010

For the current year, Europlasma will continue developing on its various business segments, which dovetail effectively with one another. The Group aims to provide innovative and responsible solutions for a range of environmental and health issues linked to human activity: processing and reclaiming hazardous waste, depolluting and improving air quality, and producing electricity from waste and biomass.

For its subsidiaries Inertam and Europe Environnement, the Group is focusing on further strengthening the commercial strategy with a view to generating a higher volume of business. This ramping up is not expected to result in any major structural changes and will pave the way for an improvement in margins.

Europe Environnement has, through its four subsidiaries (Europ-Plast and Protech Air in France, Amcec in the US, Ventacid in Hungary), a complete offering in the air processing sector, both technologically and geographically. With the 2010 order book up as compared with 2009, Europe Environnement is targeting a return to growth and profitability, through major orders.

In addition, the Group has the assets and strengths needed in order to rapidly establish itself as a credible player in renewable energy production:

- ▶ Proprietary technology making it possible to achieve a highly competitive energy performance;
- ▶ Proven experience in managing industrial projects with major technical, environmental and health constraints;
- ▶ A robust financial partner with which to build several units at least within the next three years.

Lastly, the dedicated financing process for building CHO-Power production units with a capacity of 54 MWe over three years, with the option to extend this financing to cover the building of a total of 200 MWe over five years, was announced in April 2010. In this context, the Group's financial partner will be able to contribute €50 million, based on a first commitment for €22.8 million focused on launching work to build the first power production unit in Morcenx, with a capacity of 12 MWe (Morcenx CHO) in June 2010.

**In view of these various parameters, Europlasma expects to generate profitable growth over 2010, with revenues increasing by more than 50%. The financial statements for the first half of 2010 will already show significant progress and positive EBIT.**

## 2010 financial diary

June 30th, 2010: general meeting

### About Europlasma



Founded in 1992, Europlasma is a French Group specialized in clean technologies and renewable energy production. The Europlasma Group is made up of four main units and 260 employees who are all firmly committed to sustainable development and experts in waste processing and reclamation.

- > **Europlasma** develops, produces and markets waste processing and energy production solutions based on its proprietary plasma torch technology.
- > **Inertam** is the global specialist for the destruction and reclamation of asbestos and hazardous waste.
- > **CHO Power** is a waste gasification power producer (EfW - Electricity from Waste).
- > **Europe Environnement** is the European market leader for ventilation and air depollution systems for industry.

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